

EXAMINER'S BANKING PRACTICES SURVEY

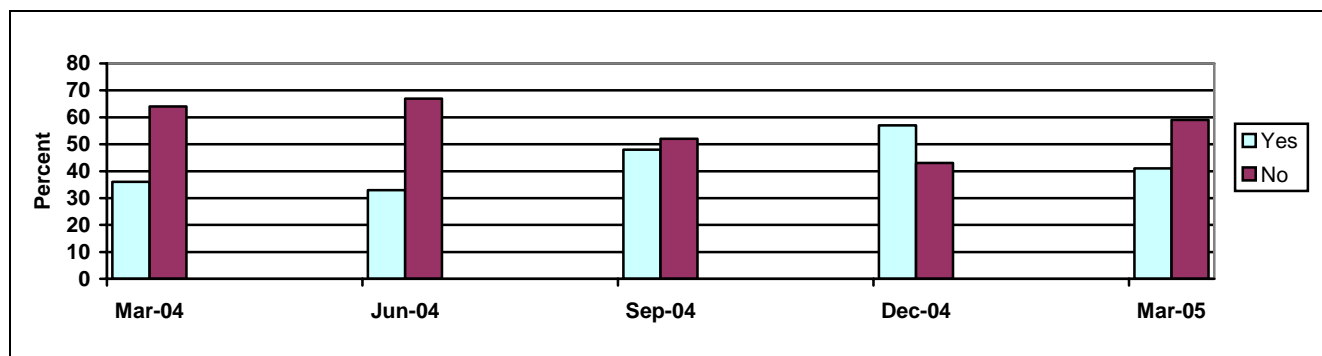
First Quarter 2005

Division of Finance
State of Missouri

This survey is completed by bank examiners at the conclusion of each examination. **First Quarter 2005** results are compiled from **34** responses.

LENDING

1. Since the last examination, has the institution significantly increased lending activity in any particular segment of the portfolio? "*Significantly*" means growth of 20% or more.



Of yes responses:

Loan Type	Mar-04	Jun-04	Sep-04	Dec-04	Mar-05
RE/Const/Land Devel	27%	15%	20%	21%	31%
RE/Agricultural	14%	15%	16%	9%	13%
RE/Commercial/Indust	27%	20%	16%	26%	20%
RE/Residential	14%	10%	16%	10%	13%
Agricultural	0%	15%	16%	6%	8%
Commercial/Industrial	9%	25%	12%	19%	10%
Consumer	9%	0%	4%	9%	5%

2. Is the institution active in making the following types of loans?

	Jun-04		Sep-04		Dec-04		Mar-05	
	Yes 7%	No 93%	Yes 9%	No 91%	Yes 23%	No 77%	Yes 9%	No 91%
Of Yes Responses-Loan type								
Sub-prime/Predatory lending	0%		50%		50%		33%	
Dealer paper	0%		50%		38%		67%	
Low or No-doc bus. lending	50%		0%		0%		0%	
High LTV home eq. lending	50%		0%		12%		0%	

3. Is the bank offering below market interest rates or reduced fees to attract loans?

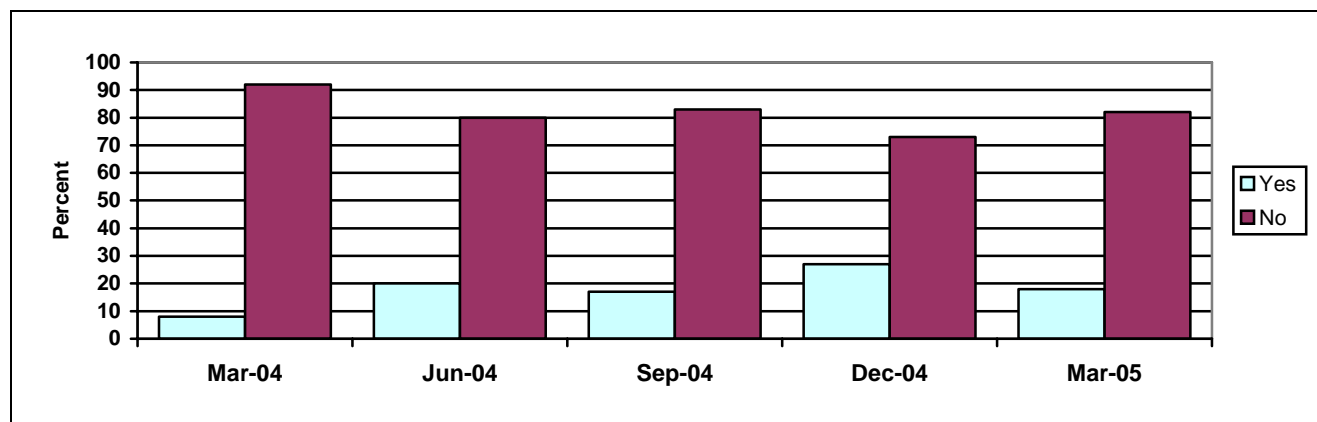
	Mar-04	Jun-04	Sep-04	Dec-04	Mar-05
Yes	0%	3%	0%	10%	6%
No	100%	97%	100%	90%	94%

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4. Does the institution use credit scoring models for loan decisions?

	Jun-04		Sep-04		Dec-04		Mar-05	
	Yes 7%	No 93%	Yes 4%	No 96%	Yes 10%	No 90%	Yes 15%	No 85%
Of Yes Responses - Loan type								
Credit card	0%		0%		0%		7%	
Consumer	67%		0%		20%		29%	
Residential mortgage	33%		50%		40%		29%	
Small business	0%		50%		20%		21%	
Other	0%		0%		20%		14%	

5. Are there indications the bank is incurring "more-than-normal" risk to boost new loans?



Of yes responses:

	Mar-04	Jun-04	Sep-04	Dec-04	Mar-05
Making collateral based loans?	20%	36%	10%	29%	20%
Reduced collateral margins?	20%	14%	20%	24%	20%
Not requiring cash flow projections?	40%	21%	30%	29%	13%
Liberal repayment terms? (reduced debt service ratios; interest only; deferred, extended, balloon or negative amortization payments)	0%	21%	30%	18%	27%
Waiving guarantees or other documentation?	20%	7%	0%	0%	7%
Other	0%	0%	10%	0%	13%

6. Describe potential risk in current underwriting practices for:

	Mar-04	Jun-04	Sep-04	Dec-04	Mar-05
Agricultural Loans					
Minimal	96%	70%	92%	83%	82%
Moderate	4%	30%	4%	17%	15%
Substantial	0%	0%	4%	0%	3%
Commercial Loans					
Minimal	64%	73%	65%	67%	68%
Moderate	36%	23%	30%	33%	29%
Substantial	0%	3%	5%	0%	3%
Consumer Loans					
Minimal	80%	83%	91%	87%	82%
Moderate	16%	10%	9%	13%	15%
Substantial	4%	7%	0%	0%	3%
Residential Loans					
Minimal	88%	83%	87%	77%	94%
Moderate	8%	10%	9%	20%	0%
Substantial	4%	7%	4%	3%	6%

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7. Differences between actual lending practices and written policies are:

	Mar-04	Jun-04	Sep-04	Dec-04	Mar-05
Agricultural Loans					
Minimal	96%	83%	91%	87%	94%
Moderate	4%	13%	9%	10%	6%
Substantial	0%	3%	0%	3%	0%
Commercial Loans					
Minimal	80%	80%	87%	67%	74%
Moderate	20%	13%	13%	30%	26%
Substantial	0%	7%	0%	3%	0%
Consumer Loans					
Minimal	84%	93%	91%	90%	85%
Moderate	8%	0%	9%	7%	15%
Substantial	8%	7%	0%	3%	0%
Residential Loans					
Minimal	92%	90%	83%	83%	88%
Moderate	4%	3%	13%	10%	12%
Substantial	4%	7%	4%	7%	0%

8. With regard to agricultural loans, describe the potential risk the bank faces from:

	Mar-04	Jun-04	Sep-04	Dec-04	Mar-05
Carryover Debt					
Minimal	96%	90%	78%	90%	88%
Moderate	4%	10%	17%	10%	12%
Substantial	0%	0%	5%	0%	0%
Phase-out of Farm Subsidies					
Minimal	96%	97%	78%	93%	88%
Moderate	4%	3%	17%	7%	12%
Substantial	0%	0%	5%	0%	0%
Drop in Land Values					
Minimal	96%	79%	87%	87%	82%
Moderate	4%	21%	9%	10%	18%
Substantial	0%	0%	4%	3%	0%

9. Has the ratio of Total Adversely Classified Items/Tier 1 Capital & ALLL increased (+) or decreased (-) since the prior examination?

	Jun-04		Sep-04		Dec-04		Mar-05	
No. Banks with Inc/(Dec) in ratio (%)	+	53%	-	47%	+	60%	-	39%
Average Inc/(Dec) in Ratio		11.0		(6.1)		11.6		(5.8)
Cause of Increase								
Eased underwriting standards		4%		0%		11%		8%
Deterioration in new loans		4%		0%		15%		8%
Deterioration in older loans		54%		84%		59%		65%
Participations or out-of-territory		17%		0%		0%		4%
Economic conditions		13%		8%		7%		11%
Changes in lending personnel		4%		0%		0%		4%
New types of lending activity		0%		0%		4%		0%
Other		4%		8%		4%		0%

10. Estimate loan classifications at this examination into the following types:

Loan Type	Mar-04	Jun-04	Sep-04	Dec-04	Mar-05
RE/Const/Land Development	5%	5%	4%	8%	2%
RE/Agriculture	6%	7%	5%	5%	8%
RE/Commercial/Industrial	20%	22%	21%	27%	42%
RE/Residential	26%	30%	32%	30%	14%
Agricultural	5%	4%	4%	4%	4%
Commercial/Industrial	23%	24%	21%	22%	24%
Consumer	15%	9%	13%	4%	6%

March 2005 ratios are weighted by dollar volume of classified loans for all respondents. Prior ratios are an average of percentages from each bank (not dollar weighted).

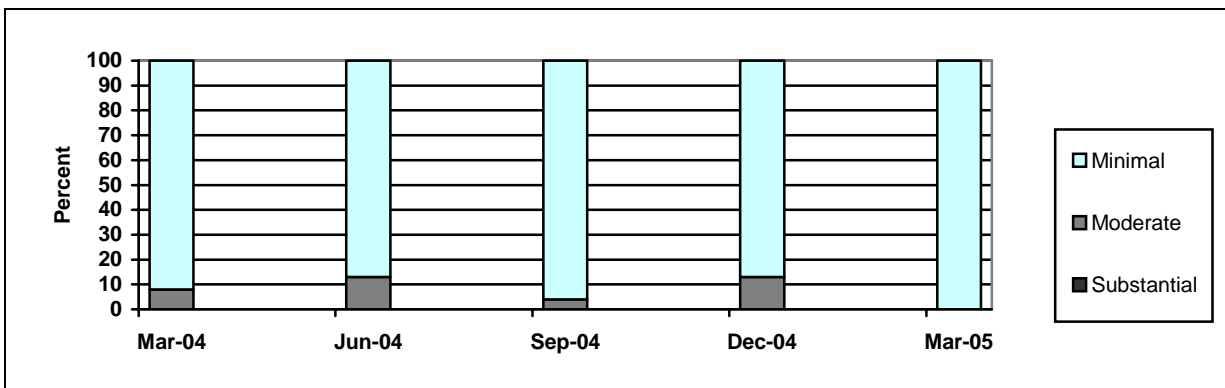
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INVESTMENTS

11. Since the last examination, has the institution purchased securities without understanding the characteristics of the issue?

	Mar-04	Jun-04	Sep-04	Dec-04	Mar-05
Yes	4%	0%	0%	0%	0%
No	96%	100%	100%	100%	100%

12. Differences between actual investment practices and written policies are:



OTHER

13. Has the bank established a borrowing line with FHLB?

	Mar-04	Jun-04	Sep-04	Dec-04	Mar-05
Yes	72%	73%	70%	90%	79%
No	28%	27%	30%	10%	21%
If yes, does the bank actively borrow from the FHLB?					
Yes	72%	62%	94%	89%	70%
No	28%	38%	6%	11%	30%

14. Does the bank hold off-balance sheet derivatives?

	Mar-04	Jun-04	Sep-04	Dec-04	Mar-05
Yes	0%	7%	9%	0%	0%
No	100%	93%	91%	100%	100%

15. List nontraditional activity the institution is engaged in.

	Mar-04	Jun-04	Sep-04	Dec-04	Mar-05
Yes	84%	70%	65%	87%	71%
No	16%	30%	35%	13%	29%
Of those that do:					
Nondeposit Investment Sales	25%	26%	21%	24%	25%
Insurance Sales	10%	7%	15%	6%	14%
Real Estate Loan Secondary Market Sales	31%	21%	23%	24%	21%
Non-transactional Web Site	14%	12%	6%	14%	4%
Transactional Web Site	20%	28%	32%	32%	34%
Other	0%	5%	3%	0%	2%